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BEFORE THE ARIZONA CORPORATION COMMISSION

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KRISTIN K. MAYES, ^{Arizona Corporation Commission} Chairman
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AZ CORP COMMISSION
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IN THE MATTER OF THE NOTICE
OF PROPOSED RULEMAKING ON
GAS ENERGY EFFICIENCY

Docket No. RG-00000B-09-0428

SWEEP COMMENTS ON THE
NOTICE OF PROPOSED RULEMAKING
ON GAS ENERGY EFFICIENCY

The Southwest Energy Efficiency Project (SWEEP) appreciates the opportunity to submit comments on the Notice of Proposed Rulemaking on Gas Energy Efficiency and the Gas Utility Energy Efficiency Standard as set forth in Decision 71855 dated August 25, 2010. SWEEP strongly supports the Gas Energy Efficiency Rule for the reasons listed below.

1. The Gas Energy Efficiency Rule is in the public interest.

Increasing energy efficiency as set forth in the Gas Energy Efficiency Rule is in the public interest because doing so will provide significant, cost-effective benefits to Arizona gas utility ratepayers (residential consumers and businesses), the utility system, the economy, and the environment. Increasing energy efficiency will save money for consumers and businesses through lower gas bills, resulting in lower total utility costs for gas ratepayers. Increasing energy efficiency will also diversify energy resources, reduce air pollution and emissions, and create jobs and improve the Arizona economy.

2. Increasing energy efficiency through the Rule and Gas Utility Energy Efficiency Standard will reduce the total energy costs for the ratepayers of the Affected Utilities.

Energy efficiency is a reliable energy resource that costs less than other resources for meeting the energy needs of gas utility ratepayers. The energy efficiency measures and programs are required to be cost-effective prior to approval by the Commission. By definition, the value of the energy cost savings to customers must exceed the costs of the program, resulting in lower total energy costs for the utility ratepayers. Also, the actual savings, benefits, and costs are evaluated and reported to the Commission for its review. Therefore, increasing customer energy efficiency through the Gas Utility Energy Efficiency Standard set forth in the Rule will reduce the total cost of energy for the ratepayers of the Affected Utilities.

1 **3. A Gas Utility Energy Efficiency Standard requiring 6% energy savings by 2020 is**
2 **appropriate for Arizona and should be adopted.**
3

4 The proposed Energy Efficiency Standard requiring 6% energy savings by 2020, and at least
5 4.5% of the 6% in 2020 through Commission-approved energy efficiency programs, is
6 appropriate for Arizona given the small amount of gas heating load in the state. The 6% standard
7 is ambitious, yet it is also a reasonable and achievable standard.
8

9 **4. By adopting a final Rule and Energy Efficiency Standard, the Commission will be**
10 **ensuring reliable gas service at reasonable rates and costs for utility ratepayers.**
11

12 Energy efficiency will reduce the energy costs and gas utility bills for ratepayers, while reducing
13 the environmental impacts of gas utility service.
14

15 **5. The Commission, in parallel proceedings, is considering and addressing the issues**
16 **regarding disincentives to utility support of energy efficiency.**
17

18 The Commission, in parallel proceedings and workshops, has been reviewing and considering
19 issues regarding utility disincentives to energy efficiency, cost recovery, and performance
20 incentives. SWEEP believes the Commission is focused on addressing these issues and has the
21 appropriate proceedings underway. These proceedings should continue in parallel and should
22 not delay final adoption of the Gas Energy Efficiency Rule.
23

24 **6. SWEEP urges the Commission to proceed with final adoption of the Gas Energy**
25 **Efficiency Rule to lower costs for gas utility ratepayers and to ensure reliable utility**
26 **service at just and reasonable rates.**
27
28
29

30 Thank you for the opportunity to submit these comments on the Gas Energy Efficiency Rule and
31 the Gas Utility Energy Efficiency Standard.